

Waste is not a liability, but a future resource

By [Stacey Davidson](#)

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In South Africa, we have proven that this is possible within the tyre waste stream, but there are a few significant elements that have determined the success.



Extended producer responsibility organisations

Manufacturers are happy to make products and consumers are happy to buy products, but the full monetary cost of a product is not being taken into account because it excludes the cost of remediation. At the end of a product's life, there is no-one to take responsibility for it and it becomes waste that is dumped.

Extended producer responsibility organisations (EPRO) are a solution for the challenges we face. An 'insurance' policy for manufacturers, EPROs remove the onus of ensuring products produced do not damage the environment at the end of life from the individual producers. This has already been achieved in South Africa whereby tyre manufacturers and importers pay a waste management fee directly to REDISA. REDISA has created a model of extended producer responsibility in the waste tyre industry that can be understood as a form of environmental insurance that stabilises and supports the tyre recycling industry and is on target to reach 100% collection by the end of 2017.

The money collected is applied to building and supporting collection and recycling systems and processes. The plan not only mitigates the environmental and resource consumption burdens of an industry but also allows brands to manage the liability that can arise from their daily business of meeting consumer needs and wants.

Independence

It is not government's role to create jobs, or clean the environment, or create circular economies – an approach which is now recognised world wide as the best way to unlock the economic potential in waste, and create entirely new industries much needed in growing economies.

Government's role should be to create an environment in which the private sector can thrive. Government is crucial in creating a more resilient environment, and putting in place policies and infrastructure that effectively advances waste management in our country.

The REDISA Plan provides government with an environmental solution at no cost to the fiscus, with its core mandates being both environmental and socio-economic upliftment through the development of both entrepreneurial and job opportunities, ultimately contributing to the economic growth of the country.

Public-private collaboration

The South African Department of Environmental Affairs drove legislation enabling the establishment of an extended producer responsibility programme operating independently of industry but with 100% compliance from producers in the industry. By collaborating with government on the one hand, and tyre manufacturers and importers on the other, REDISA has helped create over 3000 new jobs and start 200 small businesses in just over three years, simply by seeing used tyres differently – not as waste but as worth.

The private sector has much to offer in terms of financial resources, people skills and experience as an investment in public infrastructure and services. It is through partnerships that public and private sectors can both achieve their goals to the benefit of everyone in the country.

Overcoming challenges

One of the biggest challenges in the country is educating people about the opportunities that can be found and created in waste, all by creating a circular economy of which extended producer responsibility forms a part.

We have successfully defeated the biggest hurdle faced in encouraging circularity, namely funding. If it were easy to recover and re-use materials profitably, then business would be doing so. We argue that, at a macro level, it is not only a necessity but also profitable once you take into account all the externalities that effectively subsidise a linear economy.

For example, plastic water bottles that become waste have to be collected and managed by 'someone', typically local or regional governments. Thus the utility of the plastic bottle is being subsidised by organisations. In addition, uncollected waste becomes an environmental and health hazard, resulting in medical and amenity costs.

The socio-economic benefits

With waste comes opportunity, and by looking at waste differently through a circular economy lens there can be sustainable businesses and economic growth.

We have seen the results of the successful implementation of a circular economy approach in our organisation, though this is not to say there have been no challenges. In 2015, The McKinsey Report used REDISA as a case study to show how major economic and environmental benefits can be gained from turning 'waste into worth'. The report showed that by 2020 the REDISA tyre plan would deliver an annual net benefit to the economy of over R80m before even considering the environmental benefits, estimated at an additional R380m.

The results from the report show that, given the massive change in technology, consumer behaviour and business models, the circular economy is both viable and attractive.

ABOUT THE AUTHOR

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